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# Barriers and Incentives to Labour Force Participation, Australia

Factors that influence how people participate in the labour market and the hours they work

Reference period 2016-17 financial year

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Released 19/12/2017

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## Summary of findings

### Overview

The 2016–17 Multipurpose Household Survey (MPHS) revealed that of the 18.3 million persons aged 18 years and over, there were 10.2 million persons who did not work full-time. This group comprised persons not in the labour force (6.1 million), unemployed persons (634,600), persons usually working fewer than 16 hours (1.1 million) and persons who usually work 16–34 hours (2.4 million) (Table 1).

Of those 10.2 million persons who did not work full-time, approximately 2.7 million (or 26%) indicated that they would like a job or to work more hours. This group comprised (Table 1):

- 1.1 million (or 40%) persons who wanted a job but were not in the labour force;
- 634,600 (or 23%) persons who were unemployed;
- 368,900 (or 14%) persons who usually worked 0–15 hours per week but wanted to work more hours; and
- 625,700 (or 23%) persons who usually worked 16–34 hours per week but wanted to work more hours.

For the remaining 7.5 million persons (74%) who did not work full-time:

- 5.0 million persons (66%) did not want a job;
- 719,500 persons (10%) worked 0–15 hours per week but did not want more hours; and
- 1.8 million persons (24%) worked 16–34 hours per week but did not want to work more hours (Table 1).

Estimates are based on data collected from July 2016 to June 2017.

## **Persons who wanted a job or work with more hours**

There were 2.7 million persons who did not work full-time and wanted a job or preferred to work more hours. Determining whether these persons wanted a job or were available to work more hours, is important because those who are available have a greater potential to participate or increase their participation in the labour force than those who are not available.

Of the 2.7 million persons who wanted a job or preferred to work more hours:

- 2.3 million persons were available to start work within four weeks. Of these (Tables 1 and 16):
  - 1.2 million persons were looking for a job or work with more hours; and
  - 1.1 million persons were not looking for a job or work with more hours.
- 392,200 persons were not available to start a job or work with more hours within four weeks.

Females represented 61% of those who wanted a job or preferred more hours. This reflects the fact that, in comparison to males, more females worked less hours than they wanted to or were not in the labour force (Table 2).

## **Available but not looking for a job or work with more hours**

Of the 2.3 million persons who wanted a job or work with more hours and were available to start work within four weeks, 1.1 million persons (47%) indicated that they were not looking for a job or work with more hours. Three-fifths of this group were females (664,900 or 62%)

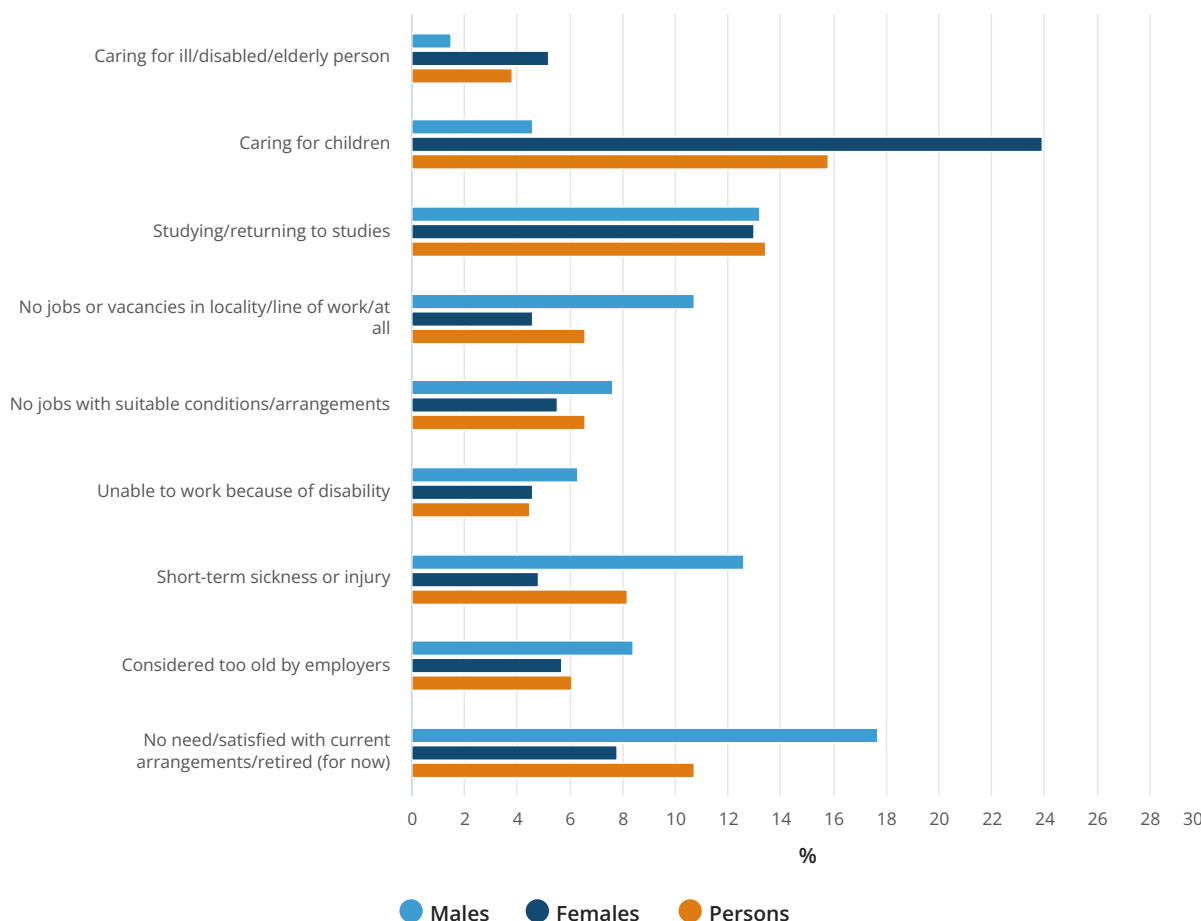
(Table 5).

'Caring for children ' was a commonly reported main reason for not looking for a job or work with more hours (168,800 persons or 16%).

Most persons who reported this (108,600 or 64%) were aged between 30 - 54 years (Table 6).

Another commonly reported main reason for not looking for a job or work with more hours was 'Studying/returning to studies' (143,100 persons or 13%). Most persons who reported this (100,800 or 70%) were aged between 18 - 29 years (Table 6).

## Persons available but not looking for a job or work with more hours, selected main reason for not looking for a job or work with more hours, by sex, 2016–17



## Available and looking for a job or work with more hours

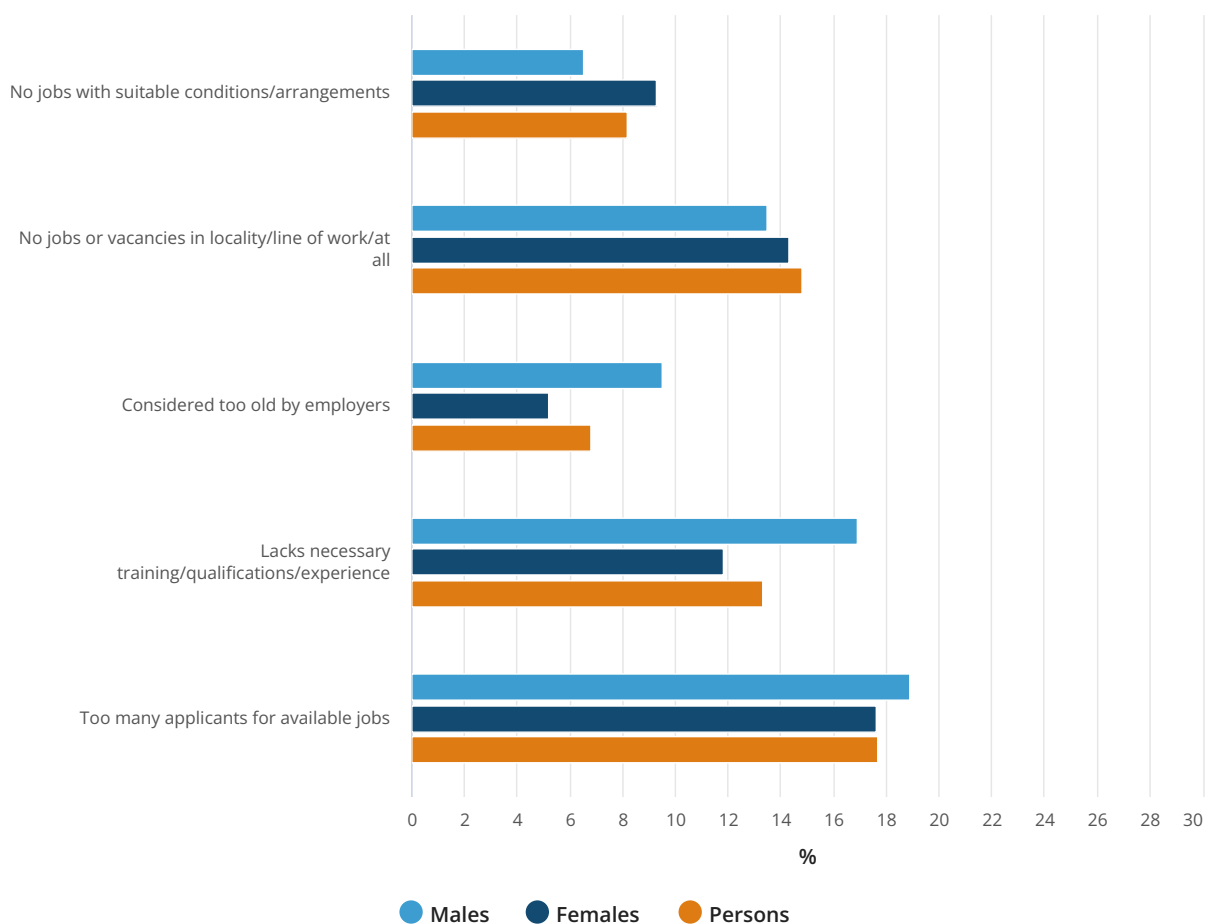
There were 1.2 million persons (57% were females) who wanted a job or work with more hours, were available and were looking of whom (Tables 1, 7 and 16):

- 634,600 were unemployed (53%);
- 529,600 usually worked 34 hours or less (44%); and
- 36,000 were not in the labour force (3%) (these persons were defined as not in the labour force rather than unemployed because they were not available to start work in

the reference week, but were available to start within four weeks).

One of the main difficulties in finding a job or work with more hours reported by persons who were available and looking was 'Too many applicants for available jobs' (205,100 persons or 18%). More than a half of those who reported this (57%) were females. 'No jobs or vacancies in locality/line of work/at all' was another commonly reported difficulty (171,100 persons or 15%) (Table 7).

### Persons available and looking for a job or work with more hours, selected main difficulty finding a job or work with more hours, by sex, 2016–17

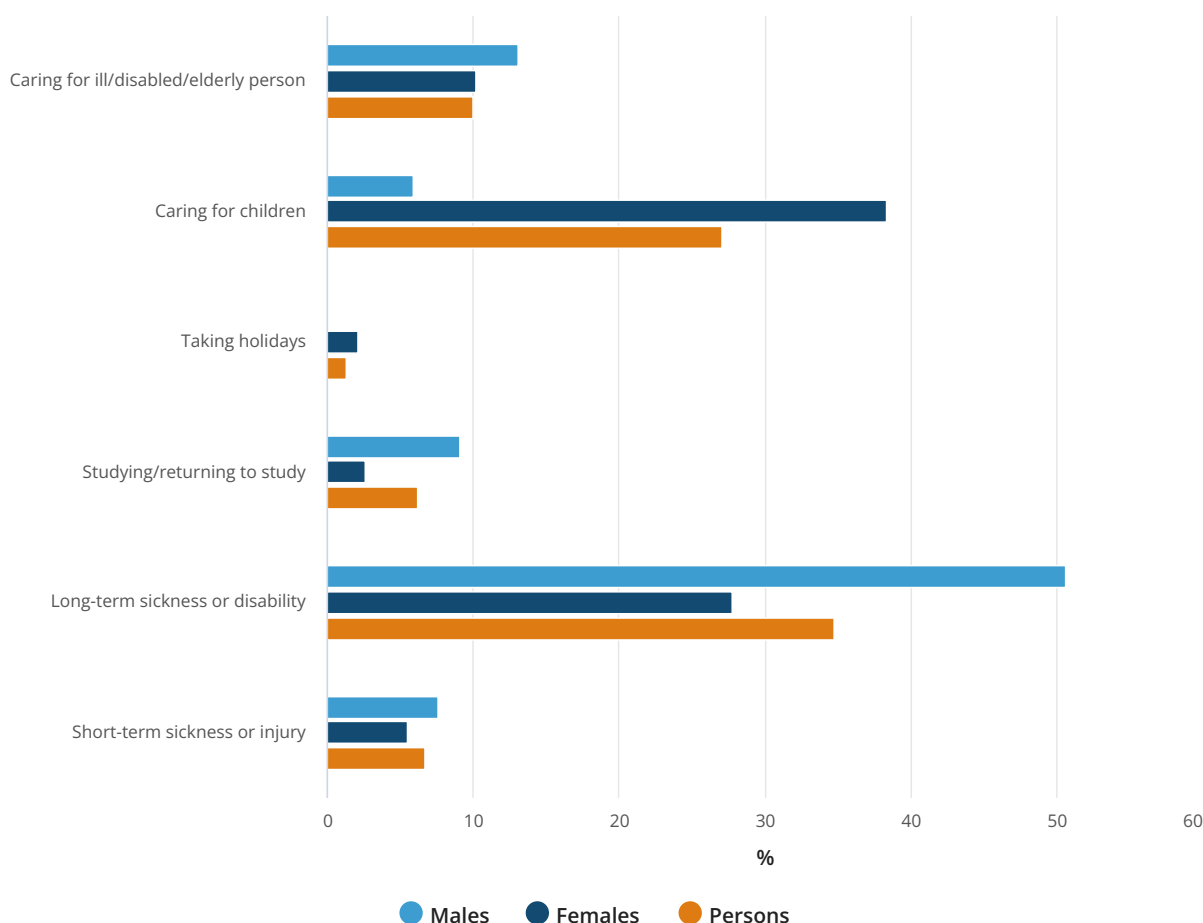


## **Not available to start a job or work with more hours**

Males and females had different reasons for not being available to start a job or work with more hours within four weeks. About 104,600 (or 38%) of the 272,800 females who wanted to start a job or work with more hours but were unavailable reported that 'caring for children' was the main reason for their unavailability. Another commonly reported main reason given by females for not being available was 'long-term sickness or disability' (75,800 or 28%). Approximately 80,600 (or 30%) of females who were not available to start a job or work with more hours within four weeks reported that they would be available to start within six months (Table 4).

Of the 124,000 males who wanted to start a job or work with more hours but were not available, just over half reported that their main reason for unavailability was 'long-term sickness or disability' (62,800 or 51%). Of the males not available to start a job or work with more hours within four weeks, 22% reported that they would be available to start within six months (Table 4).

## Persons who wanted to start a job or work with more hours, but were not available(a), selected main reason not available to start a job or work with more hours, by sex, 2016–17



a. Availability refers to the reference week or within four weeks.

## Preferred weekly hours

Of the 1.1 million persons not in the labour force who wanted a job, 69% reported that they would prefer to work part-time hours (53% of males and 79% of females). The average preferred number of hours was 22.4 hours (Table 8).

## Persons who did not want a job or work with more hours

Approximately 7.5 million of those who were not employed or who worked fewer than 35 hours indicated that they did not want a job or to work more hours. This comprised (Tables 1 and 10):

- 5.0 million persons (3.0 million females and 2.0 million males) who were not in the labour force;
- 719,500 persons (507,000 females and 213,800 males) who usually worked fewer than 16 hours; and
- 1.8 million persons (1.3 million females and 477,100 males) who usually worked 16 to 34 hours.

Of the 719,500 persons who usually worked less than 16 hours per week (Tables 1 and 10):

- 325,700 persons (91,000 males and 229,600 females) were 'very satisfied' with their current hours; and
- 335,200 persons (94,300 males and 239,600 females) were 'very satisfied' with their current work arrangements.

Of the 1.8 million persons who usually worked 16 to 34 hours per week (Tables 1 and 10):

- 820,200 persons (193,100 males and 633,600 females) were 'very satisfied' with their current hours; and
- 808,400 persons (198,500 males and 609,800 females) were 'very satisfied' with their current work arrangements.

Persons who were not in the labour force and did not want a job were generally older (73% were aged 55 years and over). Females aged 55 years and over formed the largest single group, representing 41% of those who were not in the labour force and did not want a job, while males of that age represented 32%. Males in the younger age groups represented only a small proportion of those not in the labour force who did not want a job – males aged 18–54 years formed just 7% of this group. In contrast, females aged 18–54 years formed 20% (Table 11).

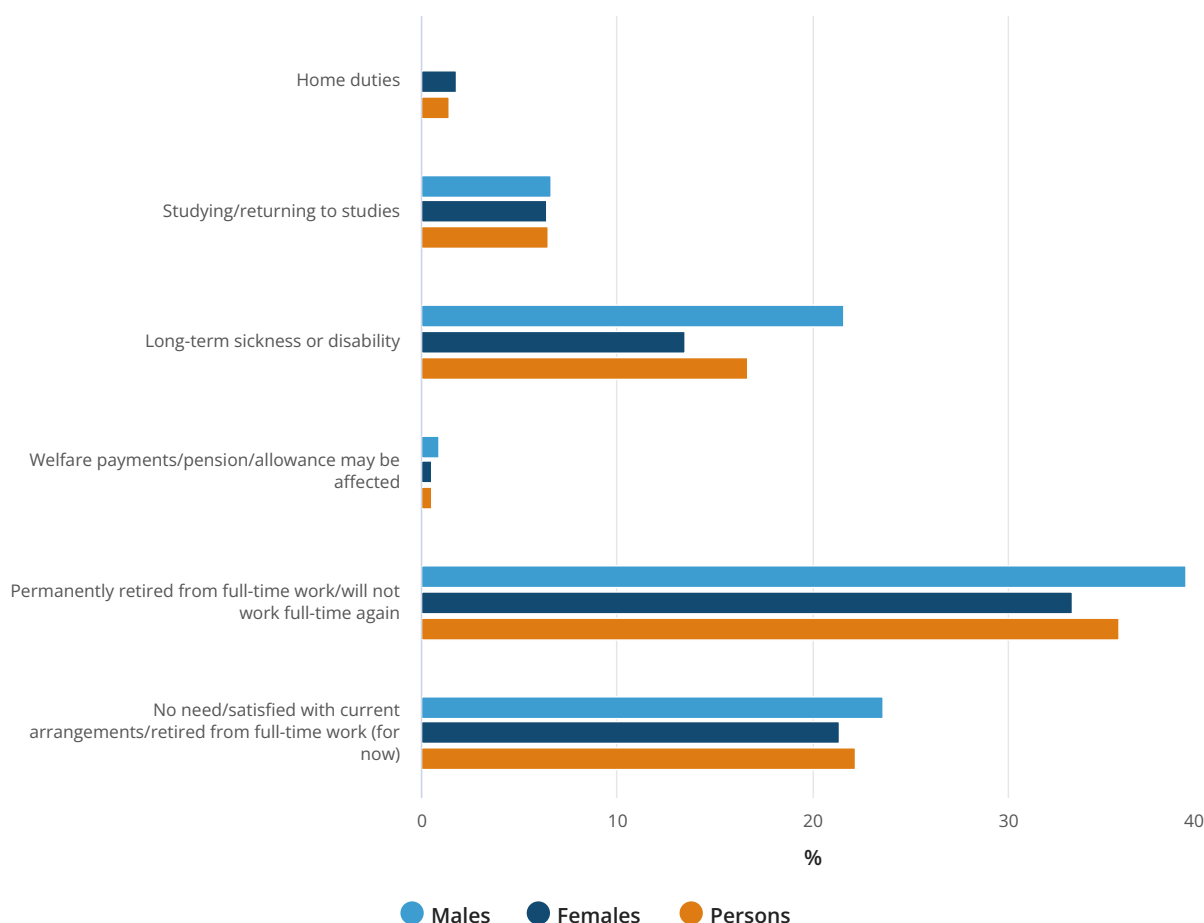
Of the 5.0 million persons not in the labour force who did not want a job, common main reasons for not wanting a job were (Table 11):

- 'permanently retired from full-time work/will not work full-time again' (1.8 million or 36%);
- 'no need/satisfied with current arrangements/retired from full-time work (for now)' (1.1 million or 22%); and
- 'long-term sickness or disability' (831,300 or 17%).



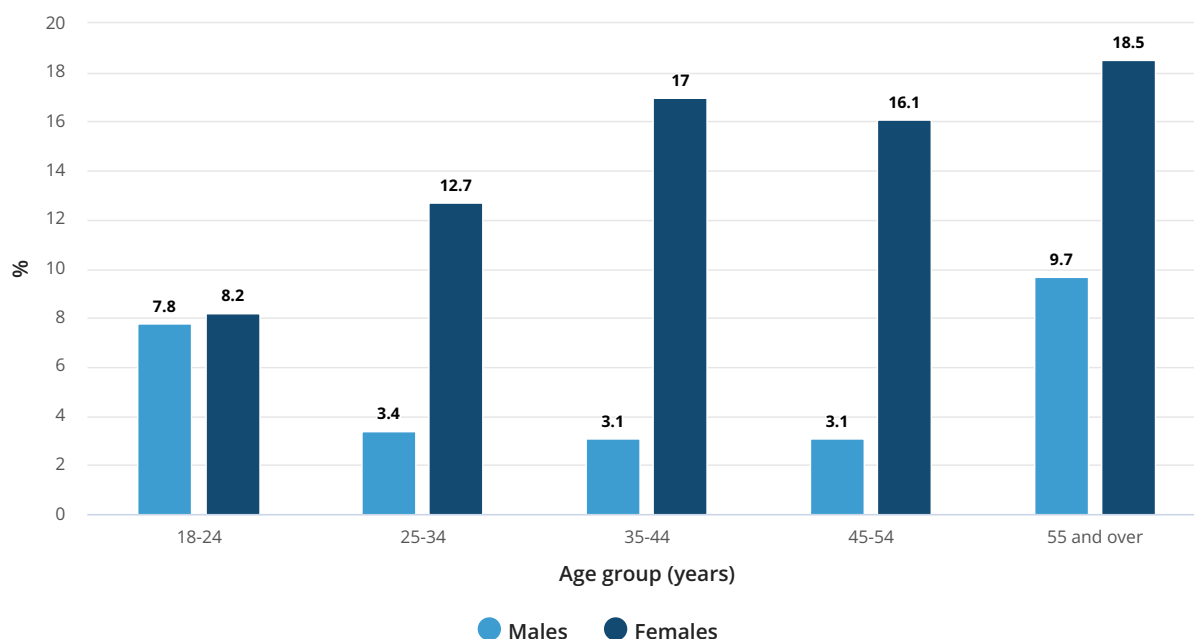
'Long-term sickness or disability' was reported by 22% of males (or 421,300) and 14% of females (or 411,100). For males, 71% of these were aged 55 years and over and for females 75% were aged 55 years and over. Eight percent of persons (or 420,400) indicated the main reason that they did not want a job was due to 'caring for children'. Of the 18–29 years age group, 49% reported that 'studying or returning to studies' was the main reason they did not want a job (Table 11).

### Persons not in the labour force who did not want a job, selected main reason for not wanting a job, by sex, 2016–17



Males and females who usually worked fewer than 35 hours and did not want to work more hours were relatively young; 53% were aged between 18 and 44 years (Table 2).

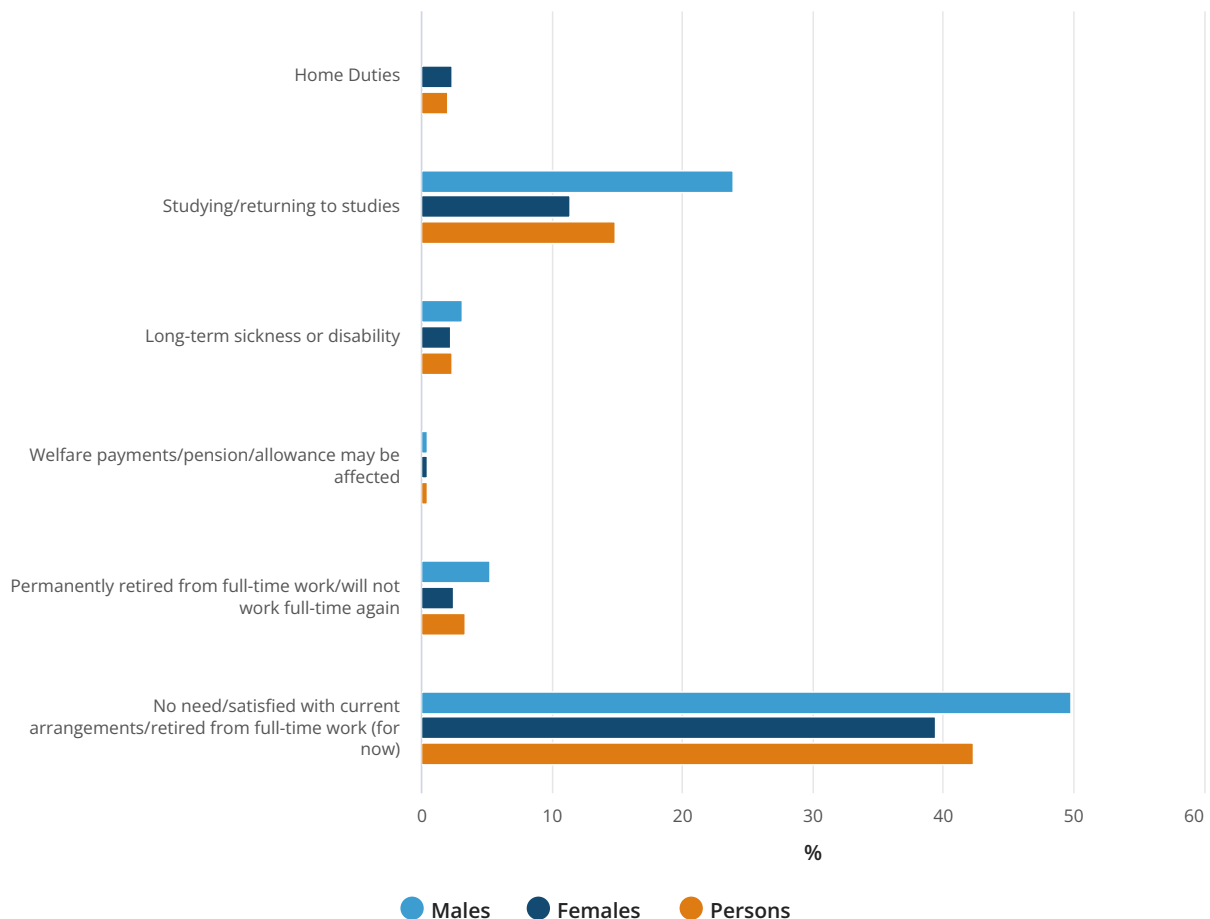
### Persons who usually worked fewer than 35 hours and did not want to work more hours, age and sex distribution, 2016–17



Females made up nearly three-quarters (73%) of those who worked fewer than 35 hours and who did not want to work more hours (Table 2). The most commonly reported main reason given by 39% (716,200) of these females, for not wanting more hours, was 'no need/satisfied with current arrangements/retired from full-time work (for now)': 44% of this group was aged 55 years and over (Table 12).

There were 692,400 males who usually worked fewer than 35 hours and did not want to work more hours. The most commonly reported main reason given by 50% (344,900) of these males, for not wanting more hours, was 'no need/satisfied with current arrangements/retired from full-time work (for now)': 49% of this group was aged 55 years and over (Table 12).

## Persons who usually worked fewer than 35 hours and did not want to work



## Incentives to join/increase participation in the labour force

Incentives to join the labour force or to increase participation was asked of persons aged 18–75 years who were:

- not in the labour force, excluding those permanently unable to work and those permanently retired; or
- unemployed; or
- usually worked less than 35 hours.

A range of incentives that would encourage persons to join or increase their participation in the labour force was asked. Incentives have been grouped into the following categories:

- 'work related';
- 'skill related';
- 'finance related';
- 'childcare related';
- 'caring related'; and
- 'other incentives'.

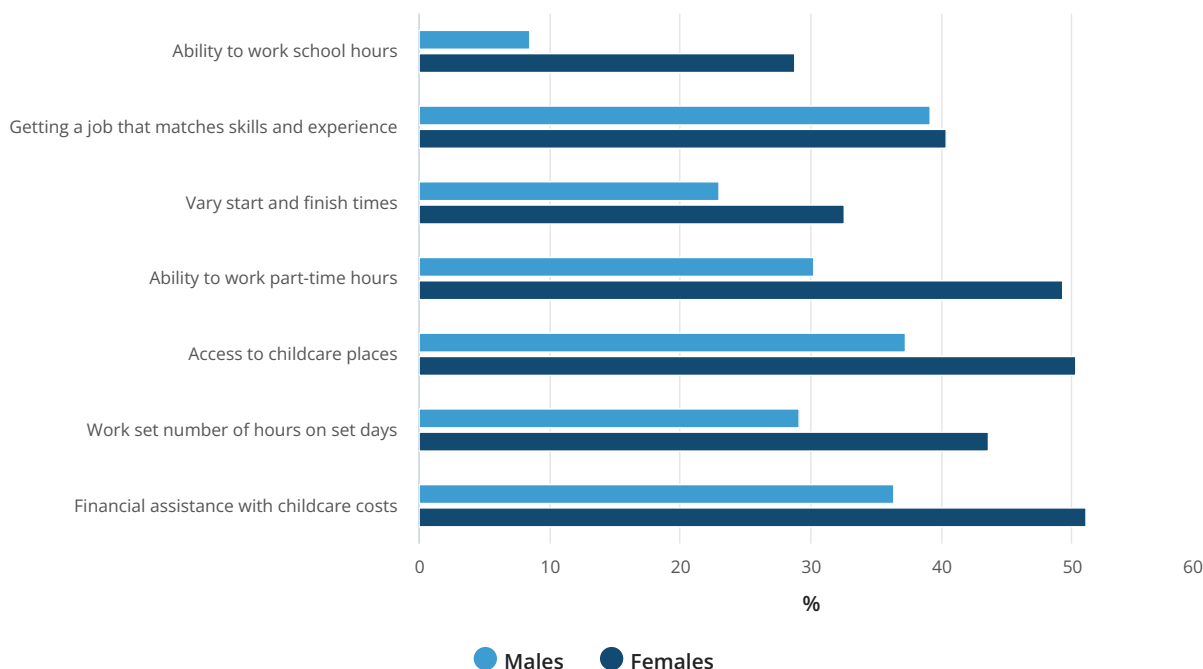
For work related incentives to increase participation in the labour force, 49% of females and 30% of males reported the 'ability to work part-time hours' as 'very important' (Table 13).

For skill related incentives, 40% of persons reported 'getting a job that matches skills and experience' as 'very important' (40% of females and 39% of males). In contrast, 30% of persons reported 'getting help with job search activities' as 'not important at all'. This was reported by 31% of females and 26% of males (Table 13).

Of persons with children or who were caring for children, 48% reported the incentive that was 'very important' to them to join or increase participation in the labour force was 'access to childcare places', with 50% of females and 37% of males reporting this as 'very important'. Of the total persons reported, 49% identified 'financial assistance with childcare costs' as 'very important' (51% of females and 36% of males) (Table 13).

Females were generally more likely to report incentives as 'very important' than males; one exception was 'Access to public transport'.

## Selected incentives to join/increase participation in the labour force, by sex, 2016–17



For employed persons, 56% reported the 'ability to work part-time hours' and 47% reported 'access to childcare places' as 'very important'. For unemployed persons, 58% reported 'getting a job that matches skills and experience' and 51% reported 'access to childcare places' as 'very important'. For persons not in the labour force, 51% reported 'financial assistance with childcare costs' as 'very important' (Table 14).

## Self assessed health

For persons who usually worked 0 to 34 hours per week, 2.3 million persons (or 66%) rated their health as either excellent (981,900 persons) or very good (1.3 million persons). Of these, 1.7 million persons (72%) did not prefer to work more hours (Table 2).

The majority of persons who were unemployed assessed their own health as either excellent (162,900 persons), very good (219,000 persons) or good (182,900 persons) (Table 2).

Almost three-quarters (74%) of persons not in the labour force assessed their own health as

either very good (1.6 million persons), good (1.7 million persons) or fair (1.2 million persons). Of these, 3.7 million persons (or 81%) did not want a paid job (Table 2).

## Conceptual framework

### Overview

To understand potential barriers to increased labour force participation there are three groups of persons who are of particular interest:

- unemployed (634,600 persons);
- persons not in the labour force (6.1 million); and
- employed persons who usually worked less than 35 hours (3.5 million).

Persons not in the labour force includes persons who wanted a paid job and those who did not want a paid job.

The 2016–17 Multipurpose Household Survey (MPHS) revealed that of persons working between 16 and 34 hours, 625,700 persons preferred to work more hours and 584,800 persons were available to start work or more hours. For persons working less than 16 hours, 368,900 preferred to work more hours and 345,800 were available to start work or more hours. The Survey also revealed that of persons not in the labour force, 1.1 million wanted a paid job and 700,600 persons were available to start work.

The following conceptual framework identifies these groups of persons.

► Image
► Description

Cells in this table have been randomly adjusted to avoid the release of confidential data. Discrepancies may occur between sums of the component items and totals.

- a. Estimates shown in the conceptual framework relate to the 2016-17 financial year.
- b. For exclusions see paragraph 7 on the methodology page.
- c. Includes persons who reported "Did not know".
- d. Includes persons who reported "Maybe/It depends".
- e. Availability referred to reference week or within four weeks.
- f. These persons reported they did not look for more hours.
- g. These persons were not available to start work in the reference week so they are defined as not in the labour force rather than unemployed.

## Changes in this issue

For the 2012–13 survey, questions were included on Previous full-time job details and Main source of current personal income. These were excluded from the 2014–15 survey.

For the 2014–15 survey, enhancements were made to the Previous job payment arrangements question, adding the response category of 'Unpaid trainee/work placement'. Enhancements were also made to survey questions on why not looking for work or more hours, trouble finding work or more hours and wanting more hours. The response categories of 'No need/satisfied with current arrangements/retired (for now)' and 'Visa requirements' were added to these questions.

Questions on incentives to join or increase participation were included in 2014–15 survey. The incentives module used to be collected every second cycle but now its part of the core content and therefore included in each iteration of the survey.

For the 2016–17 survey, enhancements were made to Previous job module, a new question asking "Did you have employees in the business" was added.

## Notes about estimates

The MPHS is designed primarily to provide estimates at the Australia level. Broad estimates are also available for states and territories, although users should exercise caution when using estimates at this level, because of the presence of high sampling errors. For further information about the reliability of the estimates see paragraph 13 on the methodology page.

## Data downloads

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### B&I and R&RI 2016-17 data items list

[↓ Download XLS](#)  
[517.5 KB]

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### Table 1. Persons aged 18 years and over, labour force status – by sex

[↓ Download XLS](#)  
[135.5 KB]

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### Table 2. Persons aged 18 years and over, usually worked 0–34 hours per week or not employed, whether wanted a job or more hours – by sex

[↓ Download XLS](#)  
[338.5 KB]

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### Table 3. Persons aged 18 years and over, usually worked 0–34 hours per week or not employed, by occupation and industry of current or last job

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[115 KB]

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Table 4. Persons aged 18 years and over, wanted a job or more hours but were not available to start work/more hours within four weeks, by selected characteristics

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[101.5 KB]

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Table 5. Persons aged 18 years and over, wanted a job or more hours and were available to start work/more hours within four weeks, selected main reason not looking for work/more hours – by sex

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[84 KB]

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Table 6. Persons aged 18 years and over, wanted a job or more hours and were available to start work/more hours within four weeks, main reason not looking for work/more hours – by age

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Table 7. Persons aged 18 years and over, wanted a job or more hours and were looking and available to start work/more hours within four weeks, main difficulty finding work/more hours – by sex

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[93.5 KB]

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Table 8. Persons aged 18 years and over, were not in the labour force and wanted a job, selected characteristics – by preferred number of hours

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Table 9. Persons aged 18 years and over, usually worked 0–34 hours per week and preferred more hours, selected characteristics–by preferred number of hours

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[221 KB]

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Table 10. Persons aged 18 years and over, did not want a job or more hours, selected main reason for not wanting work/more hours – by sex

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[147 KB]

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Table 11. Persons aged 18 years and over, did not want a paid job, selected main reason for not wanting work – by sex and age

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Table 12. Persons aged 18 years and over, usually worked 0–34 hours per week and did not want more hours, selected main reason for not wanting more hours – by sex and age

[↓ Download XLS](#)

[122.5 KB]

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Table 13. Persons aged 18–75 years who were not employed or usually work 0–34 hours per week, incentives to join/increase participation in the labour force–by sex and importance of incentive

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[84 KB]

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Table 14. Persons aged 18–75 years who were not employed or usually work 0–34 hours per week, incentives to join/increase participation in the labour force–by labour force status and importance of incentive

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[96 KB]

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Table 15. Persons aged 18–75 years who were not employed, selected characteristics – by sex and age

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Table 16. State or territory of usual residence, populations – by sex

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## History of changes

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### Show all

19/12/2017 - A discrepancy occurred between data in the conceptual framework and the summary of findings.

The summary of findings that reported this incorrect data has been updated to read:

- 625,700 (or 23%) persons who usually worked 16–34 hours per week but wanted to work more hours.
- 

## Survey material

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6238.0 and 6239.0 barriers and retirements questionnaire (sample only)

[↓ Download XLSX](#)  
[153.32 KB]

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## Methodology

[Barriers and Incentives to Labour Force Participation, Australia methodology, 2016-17 financial year](#)